

On page 41, line 10, decrease the amount by \$23,000,000.

On page 41, line 11, decrease the amount by \$23,000,000.

On page 41, line 14, decrease the amount by \$24,000,000.

On page 41, line 15, decrease the amount by \$24,000,000.

On page 41, line 18, decrease the amount by \$25,000,000.

On page 41, line 19, decrease the amount by \$25,000,000.

Mr. KENNEDY. Mr. President, how could we in good conscience deny unemployment benefits to the long-term unemployed at the same time we are considering more than \$1.3 trillion in additional tax cuts disproportionately benefiting the wealthiest taxpayer? That is exactly what this budget does. This amendment will extend and expand unemployment benefits for the millions of workers who need them. It will cost just \$16 billion, about 1 percent of the cost of the tax cut. That should not be too much to ask for those families who need our help the most. More than 4 million Americans will be unemployed with no Federal benefits after June 1 under the current law. These men and women have worked hard for years, paid into the unemployment fund, and now find themselves without a job through no fault of their own. They are victims of the stagnant economy, and the economic news is not getting any better.

Where is our concern for these 4 million Americans? Where is our sense of fairness? I hope Members will support this amendment.

Mr. SARBANES. Mr. President, I rise today in support of amendment No. 315 of which I am a proud cosponsor. The purpose of this amendment is to accommodate in the budget an extension of unemployment insurance benefits. Currently, extended unemployment insurance benefits are scheduled to expire at the end of May. Beginning June first, individuals whose regular unemployment benefits expire will no longer be eligible for extended benefits.

This amendment sets aside the necessary funds, \$16 billion, to extend the existing unemployment insurance benefits program for an additional 6 months. That is estimated to provide assistance to between 2 to 2.5 million working Americans who have lost their job through no fault of their own. The amendment takes the money from the proposed \$1.5 trillion dollars in tax cuts. This raises the very fundamental question of what our priorities are.

I am convinced that we are going to still be in very difficult shape when the current extension of unemployment insurance benefits expires at the end of May, and I think we will need to extend it. There is little chance that the labor market will significantly improve for unemployed workers between now and the end of May. There is growing evidence that the labor market is still deteriorating. The Federal Open Market Committee's most recent statement on interest rates concluded that, "recent labor market indicators have proven disappointing."

That is an understatement. It was reported yesterday that the 4-week average of initial jobless claims rose to a 10-month high of 429,500. Last month we lost 308,000 jobs and the unemployment rose last month to 5.8 percent. The unemployment rate is higher today than when extended benefits were first enacted in March 2002. Over 3.4 million Americans are drawing unemployment benefits today a 4-month high. It would take private sector job creation of over 100,000 per month, every month, for the next 2-years, in order for the economy to recoup the 2.5 million private sector jobs that have been lost since President Bush took office.

The labor market remains weak because the overall economy remains weak. Last week the Federal Reserve released a report stating that, "growth in economic activity remained subdued in January and February. . . . Consumer spending remained weak," and "business spending was very soft, with little change in capital spending or hiring plans." Little change in business hiring is horrible news for would be job seekers who are caught in what the New York Times called the "Worst Hiring Slump in 20 Years." And this hiring slump has been very tough on those who are of moderate means. Witness the Baltimore Sun's recent story entitled "Jobs for poor few in a weak economy."

You have a situation where people are unemployed: Over 8.5 million unemployed Americans, over 22 percent of which, 1.87 million, have been unemployed for more than 26 weeks, are looking for work, and can't find a job because there are no jobs to be had. This is the highest percentage—of long-term unemployed our economy has witnessed since 1992. In situations like this, the Congress has always provided extended unemployment benefits. In the last recession these benefits were provided for 29 months. During the recession before that, they lasted for 33 months. In both of those recessions extended benefits were discontinued only after a pronounced strengthening in the labor market.

Today these benefits are set to expire after only 15 months, well before the labor market has improved. If this happens, it will mark not only a departure from prudent fiscal policy that has been implemented in a bipartisan fashion in the past but will also harm economic growth and hurt millions of Americans. Extended unemployment insurance benefits, already enacted by the Congress, have assisted 4.7 million workers and provided \$12 billion of stimulus into the economy. Federal Reserve Chairman Greenspan has testified that "extended unemployment insurance provided a timely boost to disposable income."

This amendment will allow for up to an additional \$16.3 billion in stimulus to be provided precisely to those Americans who need it the most. In fact, that is why it is so effective as eco-

nomics stimulus—those who receive unemployment benefits, by definition, are in such a precarious fiscal position that they must spend every dollar of benefits, which are far less than what they used to earn in their previous job. The \$16 billion would allow for the program not only to be extended as it is, but to provide for all Americans who qualify to receive an additional 13 weeks of benefits. This would include the 1 million workers who have already exhausted their extended benefits. These workers need help. They want to find work but cannot find a job because there are simply no jobs to be had.

I know that some of my colleagues oppose providing extended benefits for more than 13 weeks to anyone. I have a differing view point. I point out that at this state of the last recession, a minimum of 20 weeks of additional Federal benefits were provided for all Americans in every State. Under normal circumstances with a growing labor market, there is a strong case to be made that providing too long of a duration of unemployment insurance benefits would be harmful. However, in times when the labor market is weak and the job base is shrinking, the situation is very different. Even Fed Chairman Greenspan acknowledged this in testimony before the Joint Economic Committee, stating: "in periods like this [a shrinking labor market], that the economic restraints on the unemployment insurance system almost surely ought to be eased."

In the previous recession and jobless recovery, extended unemployment insurance benefits lasted for 29 months and for much of that time provided benefits for 26 to 33 weeks. In this recession and jobless recovery, benefits are scheduled to expire after only 15 months and have provided only 13 weeks of extended benefits to the vast majority of Americans. Even if you still cling to the idea that we should have no more than 13 additional weeks, passing this amendment does not itself extend these benefits. It only allows the Senate the flexibility to address this issue when the time comes without having a budget point of order raised. The amendment sets aside the necessary funds, \$16.3 billion—which I point out are more than covered by the \$21 billion in the unemployment insurance trust funds today—to provide for whatever form of extended benefits the Senate should choose to pass. Hold the debate on how to structure the program until then. What we cannot afford to do today is to pass a budget that contains nothing to provide for extension of benefits which may be critically needed in only a few months time.

Last year this issue was not properly dealt with, and as a result millions of Americans suffered through the holiday season believing that their benefits were going to expire. Yet when Congress reconvened, extended benefits were retroactively restored, 11 days after they had expired. Let's not put